THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) Yes, Sir.

(b) and (c) As regards Air India Limited, the recommendation of the Divinvestment Commission is under consideration of the Government. In respect of Indian Airlines Limited, it is proposed to undertake a phased disinvestment in Indian Airlines over three years, bringing the Government's equity holding down to 49%. As per the existing domestic air transport policy, foreign investment is allowed upto 40%. However, foreign airlines cannot invest in the domestic sector.

Financial Position of Airports

6. SHRI A. VIJAYA RAGHAVAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have decided to privatise five airports in the country;

(b) if so, the details thereof; and

(c) the steps taken by Government to ensure the financial viability of the remaining airports?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR)I: (a) Yes, Sir.

(b) and (c) It has been decided to corporatise airports at Delhi, Mumbai, Chenai, Calcutta and the new airport to be constructed at Bangalore. Airports Authority of India (AAI) is in the process of selecting financial and legal consultants to advise on the modalities of corporatisation of these airports along with other related issues including the financial viability of the remaining airports consequent upon the corporatization of airports as mentioned above.

Losses suffered by Air India

7. SHRIMATI VEENA VERMA:
SHRI AKHILESH DAS:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India continues to incur additional losses during the last three months;

(b) the total loss suffered during the year so far; and

(c) the main reasons to which the losses are attributable and the steps taken/to be taken by the airline to come out of the red?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) and (b) Yes, Sir. As per the provisional results of April-December, 1998, Air India has incurred loss of Rs. 199.76 crores as against projected loss of Rs. 265.26 crores for the period April-December, 98.

(c) The losses are due to increase in expenditure on account of interest and depreciation on new aircraft, reduction in yield due to increased competition and cost of operations, increase in wage bill and other staff costs and landing, handling and navigational charges, depreciation of rupee value, etc.

Air India Limited has taken the following steps to improve the performance:—

(i) Marketing efforts have been stepped upto generate additional revenue.

(ii) Network rationalization and consolidation with emphasis placed on route profitability.

(iii) Reduction in expenditure on outside repairs of aircraft by undertaking more in-house repairs.

(iv) Several posts of India based officers abroad have been abolished.

Upgradation of Lucknow Airport

8. SHRI SANTOSH BAGRODIA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have decided to upgrade the Lucknow Airport as an international airport; and

(b) whether Government expect that there will be enough traffic from Lucknow to foreign countries; if so, the details threof?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) Lucknow Airport has been developed to handle limited international operations.

(b) Indian Airlines has commenced direct flights from Lucknow to Sharjah with effect from 3rd February, 1999. It is estimated that India Airlines will on an average carry about